

Test & Measurement Newsletter - Q2 2019

KPMG Corporate Finance LLC

Test & Measurement M&A Newsletter

Q2 2019

Test & Measurement Market Commentary

Trading multiples for the Test & Measurement (T&M) industry for Q2'19 recorded an overall mean EV/LTM EBITDA of 17.0x. The mean EV/LTM EBITDA for Life Science Instrument companies came in at a strong 20.1x; Testing, Inspection, and Certification (TIC) at 13.6x; and Industrial Instruments at 17.1x.

Announced transaction volume declined by 27.1% in Q2'19 over Q2'18, while announced transaction value decreased 76.6% to \$1.9 billion in Q2'19, primarily due to two large transactions announced in Q2'18, including Abaxis by Zoetis (\$2 billion) and Analogic Corporation by Altaris Capital (\$1.1 billion). Strategic buyers continued to dominate in Q2'19, participating in approximately 92% of announced deals, led by SGS SA and Eurofins Scientific with three and two transactions, respectively.

Total of **70 announced deals** in Q2'19, a decrease of **27.1% versus Q2'18**



27.1%
Deal Volume

Q2'19 total **announced deal value** was **\$1.9 billion**, down **76.6%** from Q2'18



76.6%
Deal Value

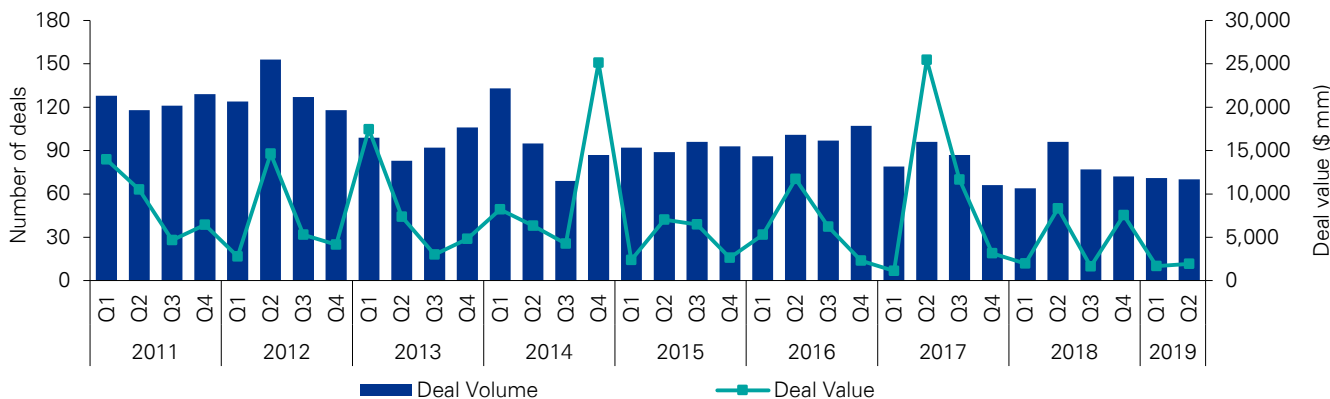
Cross-border deals represented **51.4% of total volume** for Q2'19, up from **43.8% in Q2'18**



Deal volume for both **Instruments, Equipment, and Supplies (IES)** and **Testing, Inspection, and Certification (TIC)** subsectors decreased **20.5%** and **63.9%** respectively in Q2'19 versus Q2'18



Global T&M Industry Announced Deal Volume and Value



Source: Capital IQ, Mergermarket, press releases

Notes: M&A analysis based on deals announced and/or closed during the respective periods. Deal value represents aggregate deal value for disclosed transactions for the time periods noted on the above graph

Food Testing Market Spotlight

Food Testing Market

The food safety testing market, which includes the inspection of food products for disease-causing organisms, chemicals, and other hazardous materials, is projected to reach \$24.6 billion by 2023P, representing a CAGR of 7.7% from 2018. The global food supply is under the constant threat of contamination creating a demand for testing to ensure food safety for consumers. The Center for Disease Control and Prevention (CDCP) has reported that each year, one out of 10 people fall sick due to foodborne illness, mostly children under the age of five. Demand for food safety testing globally is largely driven by: an increasing demand among consumers for fresh and safe food products; increasing food safety regulations; high competition among food producers increasing the importance of brand protection; and an increase in food debasement, including adulterations, pesticides, artificial taste enhancers, and certifications. The safety certifications and compliance undertaken by food processing companies and food service organizations are increasing the trust of the consumer.

Global food safety organizations are implementing strict regulations to prevent food fraud and illness from contaminated food as well as to motivate manufacturers to adopt technologies to provide testing accuracy and ensure that food products comply with the numerous regulations in various countries. Besides consumer safety, food safety testing services are more pronounced in multiple regions due to the increasing number of international events, including sporting events, conducted every year. The safety certifications and compliance undertaken by food processing companies and food service organizations are helping to gain the trust of the consumer.

North America is the leading market contributing more than 40% of the global food safety testing industry, followed by the LAMEA region, however, China and India, both hold large potential for the industry. The key factor driving the growth of the food safety testing market in North America is stringent regulations by the regulatory bodies as well as increased production in North America. Food safety testing is made mandatory during every stage of production and processing, which ensures food safety and consumer loyalty. Microbial testing and GMO testing are the major types of testing done in North America. Food manufacturers are typically conducting testing around three primary food contaminants: pathogens, chemicals, and genetically modified organisms (GMOs), of which pathogens testing dominates the food testing market. Pathogens, including Campylobacter, E. Coli, Listeria, and Salmonella, are contagious microorganisms that cause food contamination.

There is currently an increased demand for microbiological testing of food products. The purpose of a microbiological testing is to identify and restrict growth of harmful microorganisms, which may lead to spoilage of foods, and thus, ensure safety from foodborne diseases. The global market by technology is segmented into agar culturing, PCR-based assay, immunoassay-based, and others. Agar culturing is one of the traditional processes to test pathogens. However, currently, PCR-based assay and immunoassay-based methods are more accepted than traditional methods, as ongoing developments have discovered that traditional methods are not suitable for all food products.

Strong Buyer Interest in Food Testing Sector is Feeding M&A – Select Recent Activity

Date	Buyer	Target	Target Description
May-2019	Cotecna Inspection SA	Neutron	Testing services for food, supplements, cosmetics and pharmaceutical products
May-2019	SGS	Chemical Solutions	Elemental and heavy metal testing for food, nutraceuticals, and cosmetic products
Apr-2019	Bureau Veritas	Shenzhen Total-Test	Food testing services in China
Feb-2019	bioMérieux	Invisible Sentinel	Diagnostic tools for the detection of pathogens and spoilage in food & beverage
Jan-2019	Bureau Veritas	AsureQuality	Food safety and biosecurity services Southeast Asia
Jul-2018	Eurofins	Laboratoire de Bromatologie de l'Ouest	Microbiological and physicochemical analyses of food products

Source: MarketsandMarkets, Industrial Equipment News, Mordor Intelligence, company press releases.

Notable Recent Deals

Q2 2019

UL LLC acquires Wintech Testing and Certification

June 28, 2019

UL LLC, a provider of safety science services, announced the acquisition of Wintech Testing and Certification, a provider of testing and certification services to architects, building owners, and manufacturers across the built environment community. Founded in 1993 and headquartered in Telford, U.K., Wintech holds accreditation from United Kingdom Accreditation Service (UKAS) as a certification body for certification of windows, doors, curtain walls, and rainscreen cladding. Kevin Faltin, Vice President, UL Building and Life Safety Technologies division said: "UL and Wintech Testing and Certification have a shared mission and complementary businesses. We are relied upon by the building materials community for the services and knowledge that they need to enhance public safety, meet regulatory demands, protect brand value and successfully access the global market." Terms of the transaction were not disclosed.

Anova acquires Intelligent Sensing Anywhere, S.A.

June 17, 2019

Anova, a provider of remote monitor solutions and cloud-based scheduling, has acquired Portugal-based Intelligent Sensing Anywhere (ISA). Founded in 1990, ISA specializes in telemetry and remote monitoring solutions for the oil and gas industry with solutions deployed in more than 40 countries. ISA extends Anova's range of monitoring solutions as well as its global footprint. In addition, ISA's engineering and software development teams will contribute to innovation in reliability, product life, user experience, and next-generation technologies. Chet Reshamwala, CEO of Anova said: "ISA is a perfect complement to Anova, building on our vision to grow our presence in multiple geographies." Terms of the transaction were not disclosed.

Teledyne Technologies acquires the Gas and Flame Detection Business of 3M

June 5, 2019 (Pending)

Teledyne Technologies, a provider of sophisticated instrumentation, digital imaging products and software, aerospace and defense electronics, and engineered systems, announced the acquisition of the Gas and Flame Detection Business of 3M Company. The Gas and Flame Detection Business provides a portfolio of fixed and portable industrial gas and flame detection instruments used in a variety of industries, including petrochemical, power generation, oil & gas, food & beverage, mining and waste water treatment. Robert Mehrabian, Executive Chairman, Teledyne said: "The gas and flame detection business utilizes similar technology and serves related markets as our portfolio of environmental instrumentation businesses. However, our respective products do not compete and we generally serve customers in complementary geographies. This business will become a long-term core business of Teledyne, and we look forward to welcoming it and its employees to Teledyne." The transaction value is approximately \$230 million and the transaction is expected to close in the second half of 2019, pending regulatory approval. Terms of the transaction were not disclosed.

Ellab acquires Hanwell Solutions Limited

June 3, 2019

Ellab, a Denmark-based global provider of thermal validation solutions for the pharmaceutical, medical and food processing industries, acquired Hanwell Solutions, a British company, designing and manufacturing wireless environmental monitoring solutions. Founded in 1990 and headquartered in Letchworth, Hanwell has employed 55 people and supplies solutions across pharmaceutical, food, hospitals, laboratories, and heritage industries. Ian Robinson, CEO of Hanwell, said: "This is a great opportunity for Hanwell to further strengthen its position in key industry sectors as part of a global organization with a comparable ethos to our own. Although our core product offering will remain unchanged, our engineering team, in particular, will benefit from additional resources and expertise, enabling us to invest even more time and effort into our innovation and development strategies. We are confident that this will lead to only positive outcomes for our current and prospective customers and look forward to what the future brings." Terms of the transaction were not disclosed.

Source: Capital IQ, Business Wire, Globe Newswire, company websites, press releases

Notable Recent Deals

Q2 2019 (continued)

Investor Consortium acquires SPHEREA Test & Services

May 15, 2019 (Pending)

A consortium comprising Andera Partners and Omnes acquired stakes in SPHEREA, alongside management and its existing financial shareholders ACE Management. Founded in 1965, SPHEREA offers modular technology solutions used in electronic tests, such as the ATEC Series automatic test benches, in the fields of electronics, microwave, optronics, and power electronics. SPHEREA generated approximately €130 million in revenue in 2018 and employs over 600 people globally. Antoine Le Bourgeois and Pierre-Yves Poirier, Partners at Andera Partners said: "Management convinced us of the solidity of the Group's historic businesses and the potential for new technological developments in the years to come." Stéphane Roussilhe, Partner at Omnes added: "We are delighted to support the management team in developing SPHEREA's core business but also by helping external growth in France and internationally." Terms of the transaction were not disclosed.

Cotecna SA acquires NEOTRON SpA

May 15, 2019

Cotecna, a Switzerland-based provider of testing, inspection and certification services acquired Neutron, a global provider of testing services for food products, supplements, cosmetics and pharmaceutical products, based in Italy. Founded in 1975, Neutron employs over 550 employees, performs 2,000 accredited tests and processes close to 300,000 samples per year. The Company provides chemical, biochemical, microbiological, physical and sensory analysis. Sébastien Dannaud, CEO of Cotecna, said: "We are excited to welcome Neutron and its talented team to Cotecna. The acquisition of Neutron represents a significant milestone in the delivery of Cotecna's growth ambitions. Through Neutron, Cotecna will be able to offer a broader range of testing solutions to its customers along the agriculture and food supply chains. We intend to leverage their laboratory platform, scientific reputation and extensive competencies to rapidly expand our food testing business across our geographical network." Terms of the transaction were not disclosed.

First Reserve Corporation acquires IRISNDT Corp.

May 9, 2019 (Pending)

First Reserve, a global private equity investment firm focused on the energy value chain, announced a partnership with management in a majority recapitalization of IRISNDT Inspection & Engineering Services ("IRISNDT"), a leading provider of advanced and general non-destructive testing (NDT), inspection, engineering, heat treatment, rope access, and specialized software solutions to the refining, petrochemical, chemical, power generation, pipeline and industrial markets. Founded in 1953, IRISNDT provides a full suite of NDT services to downstream end markets with 38 branch locations across the U.S., Canada, and the U.K. Jeff Quake and Gary Reaves from First Reserve commented: "We are excited to partner with IRISNDT management and employees to assist in their next phase of growth. We have a deep history of investment in the asset integrity sector, and the increased need for testing and inspection of aging energy infrastructure is one of our key investment themes." Terms of the transaction were not disclosed.

Fluke Corporation acquires PRUFTECHNIK Dieter Busch AG

May 7, 2019 (Pending)

Fluke Corporation, a U.S.-based subsidiary of Fortive that manufactures test and measurement equipment, acquired PRUFTECHNIK, a Germany-based test and measurement company. Founded in 1972, PRUFTECHNIK, which employs more than 600 employees, offers alignment systems and condition monitoring systems. Sebastian Busch, President and CEO of PRUFTECHNIK said: "Fluke greatly values PRUFTECHNIK, its history as a family business and its employees. We are keenly aware of the high quality and commitment of our dedicated sales channels, which we consider a key asset. Additionally, the combined business will allow us to serve our customers better, with complementary products, software and services for reliability, industrial maintenance and non-destructive testing." Terms of the transaction were not disclosed.

Source: Capital IQ, Business Wire, Globe Newswire, company websites, press releases

Notable Recent Deals

Q2 2019 (continued)

TE Connectivity acquires Alpha Technics from Gen Cap America

May 3, 2019

TE Connectivity, a manufacturer of connectivity and sensor solutions, acquired Alpha Technics from Gen Cap America, a Nashville-based private equity firm that focuses on lower middle market buyouts. Alpha Technics products are used in medical, biotech, life sciences and industrial sectors and include temperature sensors and sensor assemblies for patient monitoring, medical equipment, and temperature verification kits. The Company headquartered in Oceanside, California, with manufacturing facilities in Mexico and China, generated revenue of approximately \$20 million in 2018. John Mitchell, Senior Vice President and General Manager of TE's sensors business said: "The acquisition of Alpha Technics is part of our well-established strategy to expand our leadership position in sensor applications. This transaction further establishes TE as a sensor technology leader for the medical market." Terms of the transaction were not disclosed.

Q.E.D. Environmental Systems acquires Huberg SAS Huber Guenther & Co.

May 3, 2019 (Pending)

Q.E.D. Environmental Systems announced the acquisition of Huberg SAS, an Italian-based safety instrumentation systems manufacturer. Huberg's product portfolio includes the Laser One product utilized for the detection and localization of methane gas leaks using high precision laser technology. Dean Kavanagh, MD from QED said: "We are incredibly excited to have acquired a strong and innovative company such as Huberg, that will provide us with new and diverse market opportunities. The ethos we work with here at QED is very similar to that practiced at Huberg and I am confident this acquisition will strengthen our place in the global industry. The technology and innovation at Huberg is second to none and we strongly believe that with their high-tech product portfolio, we will drive the industry forward." Terms of the transaction were not disclosed.

SGS SA acquires Chemical Solutions Ltd.

May 3, 2019

SGS a Switzerland-based inspection, verification, testing, and certification provider, acquired Chemical Solutions Ltd. ("CSL"), a U.S.-based testing laboratory specializing in elemental and heavy metal testing for pharmaceutical, nutraceuticals, food, and cosmetic products across the U.S. and internationally. Founded in 1995, CSL employs approximately 40 employees and generated revenue of approximately \$5 million in 2018. Frankie Ng, CEO of SGS said: "This acquisition strengthens our Agriculture, Food & Life business in the US, further expanding our scope and geographical presence." Terms of the transaction were not disclosed.

Indutrade acquires Adam Equipment Co. Ltd.

May 2, 2019

Indutrade, a manufacturer of high-tech components, acquired Adam Equipment Co., a designer and manufacturer of precision balances and scales for professional use. Founded in 1972 and headquartered in the U.K., Adam Equipment offers an extensive portfolio of weighing products and equipment, used in the laboratory, medical, education, industrial, and food markets. With a global footprint and approximately 180 employees, Adam Equipment generates revenue of approximately £12 million. Patrik Stolpe, Senior Vice President of the Indutrade Group said: "We are very pleased to welcome Adam Equipment to the Indutrade family, and they will now join Indutrade's Business Area Measurement & Sensor Technology." Terms of the transaction were not disclosed.

Source: Capital IQ, Business Wire, Globe Newswire, company websites, press releases

Notable Recent Deals

Q2 2019 (continued)

PathGroup acquires Pathologists BioMedical Laboratories

May 1, 2019

PathGroup, one of the largest private providers of pathology, clinical and molecular laboratory services in the United States and a portfolio company of Pritzker Private Capital, acquired Pathologists BioMedical Laboratories (“PBM”), a leading provider of pathology services based in Dallas. PBM is a physician owned, independent pathology laboratory, serving the North Texas area. The combination of Nashville-based PathGroup and PBM will lead to enhanced services and a broader menu of testing across the Company’s client base. The combined business will be comprised of more than 1,800 employees working with more than 75 hospitals and thousands of physicians across the U.S., creating one of the most comprehensive pathology networks in the country. “This joining of forces expands PathGroup’s presence in one of our key markets, while also providing a platform of enhanced services for the current clients and patients of both companies,” said Ben W. Davis, M.D., President and Chief Executive Officer of PathGroup. “The dedication of PBM to their community, clients and patients, their culture of physician leadership, and their goal of providing state-of-the-art services all match PathGroup’s commitments and values. Both companies have provided superior pathology services for more than 50 years. We look forward to working with the industry-leading health systems and practices of PBM to continue providing these services.” Terms of the transaction were not disclosed.

Bureau Veritas acquires Shenzhen Total-Test Technology Co., Ltd.

April 18, 2019

Bureau Veritas, a world leader in testing, inspection and certification, announced the acquisition of Shenzhen Total-Test Technology Co. (“Shenzhen Total-Test”), a food testing leader in China. Founded in 2008 and headquartered in Shenzhen, China, Shenzhen Total-Test holds an extensive accreditation scope for food testing with both on-site and off-site capabilities. The Company provides services for more than 30 product categories, including agricultural products, processed food products, additives, baby food and animal feed as well as non-medical cosmetic products. The company has approximately 340 employees and achieved revenue of approximately €10 million in 2018. Didier Michaud-Daniel, CEO of Bureau Veritas said: “This acquisition is a twofold breakthrough for our Group. First, it supports our fast-paced development in the Agri-Food sector where we aim to become a global leader and provides more confidence in supply chains and the quality of consumer products. Second, it helps our continued expansion in China encompassing the entire scope of our activities addressing both domestic and export markets.” Terms of the transaction were not disclosed.

TASI Group acquires ONICON from Harbour Group

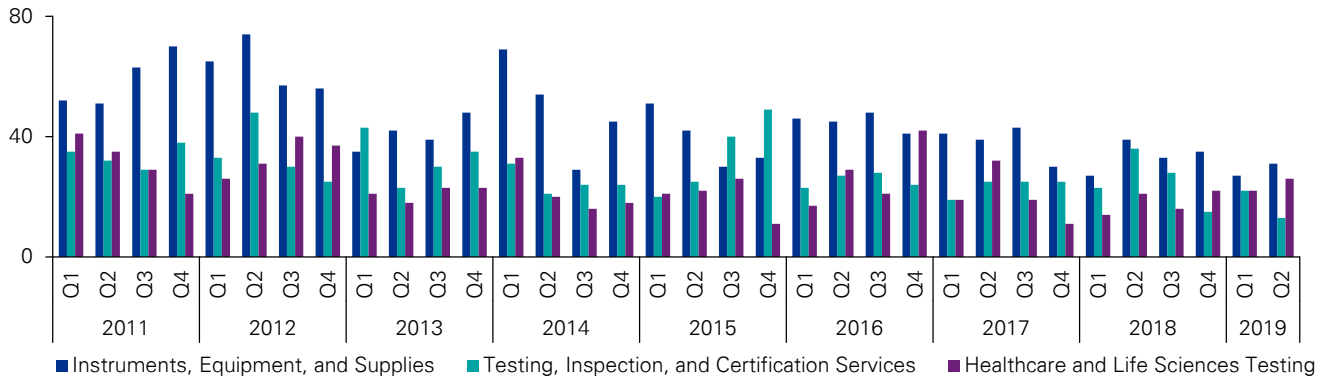
April 15, 2019

The TASI Group, a leading provider of highly engineered test, measurement, inspection, and automated assembly systems and solutions, acquired ONICON, a designer and manufacturer of flow meters and energy measurement systems. Headquartered in Largo, Florida, ONICON addresses liquid flow, steam flow, natural gas flow, airflow, and thermal energy applications with a broad range of flow meter technologies, including electromagnetic, turbine, ultrasonic, thermal mass, vortex, Pitot tube and BTU meters. John McKenna, CEO of TASI said: “The ONICON acquisition is a strategic win for everyone. ONICON’s diversified portfolio of flow technologies compliment TASI Flow businesses with little overlap in technology, industries and geographic regions. This acquisition positions both businesses on an aggressive growth path.” Terms of the transaction were not disclosed.

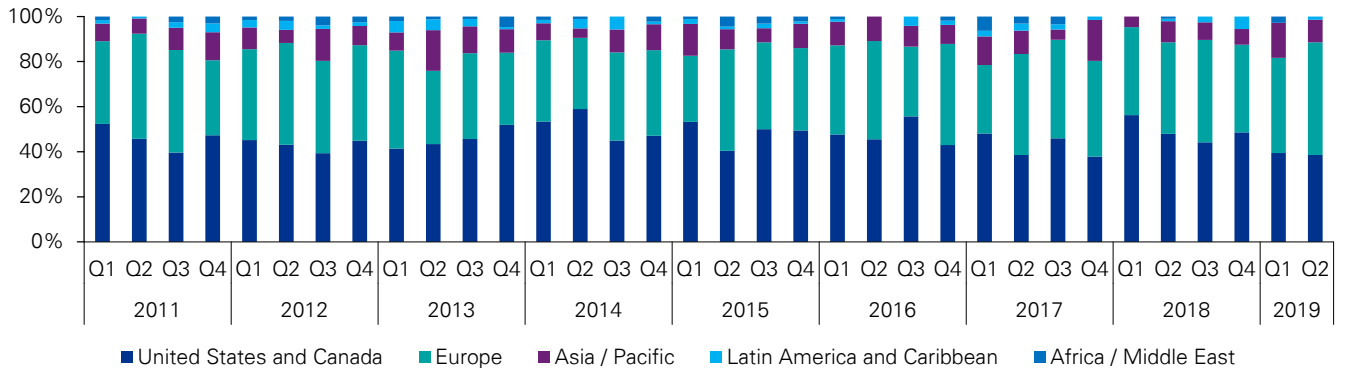
Source: Capital IQ, Business Wire, Globe Newswire, company websites, press releases

Global T&M Deal Volume

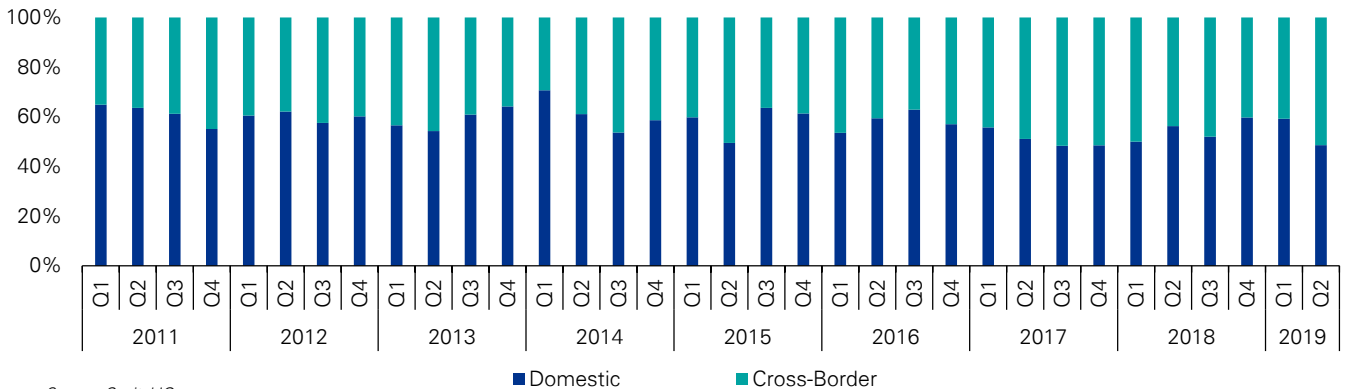
Global T&M Industry Announced M&A Deal Volume By Subsector



Global T&M Industry Announced Deal Volume By Target Region



Global T&M Industry Announced Cross-border Deal Volume



Source: Capital IQ

Notes: Includes deals for which geographic information was available. M&A analysis based on deals announced and/or closed during the respective periods. Deal value represents aggregate deal value for disclosed transactions for the time periods noted on the above graphs

Selected T&M Industry Recent M&A Transactions

Date Closed	Target	Buyer	Implied Enterprise Value (\$ mm)	Implied EV/LTM Revenue	Implied EV/LTM EBITDA
Pending	Instron Schenck Testing Systems GmbH	Siemens Aktiengesellschaft	-	-	-
Pending	LAP GmbH Laser Applikationen	IK Investment Partners; IK VIII	\$202.0	2.9x	-
Pending	Gas and Flame Detection Business of 3M Company	Teledyne Technologies Incorporated	\$230.0	1.9x	-
Pending	SPHEREA Test & Services SAS	Omnes Capital , Irdi-Soridec Gestion, Andera Partners, ACE Management	-	-	-
Pending	IRISNDT Corp.	First Reserve Corporation	-	-	-
Pending	PRÜFTECHNIK Dieter Busch AG	Fluke Corporation	-	-	-
Pending	Huberg SAS Huber Guenther & C.	Indutrade AB	-	-	-
Pending	GOM - Gesellschaft für Optische Messtechnik mbH	Carl Zeiss AG	-	-	-
Pending	BioTek Instruments, Inc.	Agilent Technologies, Inc.	\$1,165.0	7.2x	-
Pending	Rueger Holding SA	Ashcroft Instruments GmbH	\$10.1	0.5x	-
Pending	Video Test And Monitoring Business of Tektronix Inc.	Telestream LLC	-	-	-
7/9/2019	Advarra	Genstar Capital, LLC	-	-	-
7/8/2019	PMOD Technologies LLC	Bruker Corporation	-	-	-
7/1/2019	AQM China	Eurofins Product Testing Service (Shanghai) Co., Ltd.	-	-	-
7/1/2019	LAB Solution S.r.l.	Eurofins Scientific SE	-	-	-
6/28/2019	Wintech Engineering Limited	UL LLC	-	-	NM
6/28/2019	Health Safety and Environmental Consulting Business of Bureau Veritas SA	Apex Companies, LLC	-	-	-
6/17/2019	ISA - Intelligent Sensing Anywhere, S.A.	OpenROV Inc.	-	-	-
6/7/2019	Power Diagnostix Systems GmbH	Megger Group Limited	-	-	-
6/6/2019	HighChem Ltd.	Thermo Fisher Scientific Inc.	-	-	-
6/3/2019	Hanwell Solutions Limited	Ellab A/S	-	-	-
5/23/2019	Blackmore Sensors and Analytics Inc.	Pfingsten Partners	-	-	-
5/9/2019	LUCEO Technologies GmbH	Calnex Solutions Limited	-	-	-
5/3/2019	Alpha Sensors, Inc.	TE Connectivity Ltd.	-	-	-
5/3/2019	Chemical Solutions Ltd.	SGS SA	-	-	-
5/2/2019	Adam Equipment Co. Ltd.	Indutrade AB (publ)	-	-	-
5/1/2019	Pathologists Bio-Medical Laboratories, L.L.P.	PathGroup, Inc.	-	-	-

Source: CapitalIQ, Mergermarket, and press releases

Selected T&M Industry Recent M&A Transactions

(continued)

Date Closed	Target	Buyer	Implied Enterprise Value (\$ mm)	Implied EV/LTM Revenue	Implied EV/LTM EBITDA
4/30/2019	Kiwa Compliance Nederland B.V.	LDC (Managers) Limited	-	-	-
4/29/2019	Environmental and Analytical Testing Business in China of ALS Limited	Suez SA	\$57.3	-	-
4/18/2019	Shenzhen Total-Test Technology Co., Ltd.	Bureau Veritas SA	-	-	-
4/15/2019	Analytical Sensors & Instruments	Prairie Capital	\$21.0	-	-
4/15/2019	Flow Control Enterprises, Inc.	TASI Group	-	-	-
4/4/2019	Testing, Engineering and Consulting Services	SGS SA	-	-	-
4/1/2019	Chemtest Limited	Eurofins Scientific SE	-	-	-

Source: CapitalIQ, Mergermarket, and press releases

Selected Public T&M Companies

Selected Public T&M Companies													
Company	HQ Country	Market Data				LTM Financials				Valuation Multiples - Enterprise Value To:			
		Market Cap (\$mm) ⁽¹⁾⁽²⁾	Enterprise Value (\$mm) ⁽⁴⁾	Share Price ⁽²⁾	% 52 Wk High ⁽³⁾	Revenue	Revenue Growth	Gross Margin %	EBITDA % ⁽⁵⁾	LTM EBITDA	CY 2019 Revenue	CY 2019 EBITDA	
Testing, Inspection, and Certification													
ALS Limited	AU	2,444	2,895	5.07	76.7%	1,182	15.1%	28.2%	21.1%	11.6x	2.4x	10.9x	
Applix Services, S.A.	ES	1,997	2,593	13.99	95.6%	1,919	5.9%	35.7%	12.6%	10.8x	1.3x	8.1x	
Bureau Veritas SA	FR	10,951	13,373	24.56	92.8%	5,491	2.3%	30.3%	17.5%	13.9x	2.3x	12.7x	
Eurofins Scientific SE	LU	7,904	10,946	444.39	78.0%	4,329	27.3%	19.0%	18.7%	13.5x	2.2x	11.8x	
Intertek Group plc	GB	11,210	12,226	69.65	91.5%	3,570	1.2%	55.8%	19.9%	17.2x	3.3x	16.0x	
Mistras Group, Inc.	US	428	713	14.94	63.3%	732	0.9%	31.6%	7.8%	12.5x	0.9x	8.2x	
SGS SA	CH	19,241	20,067	2,548.28	93.1%	6,815	5.6%	43.2%	18.4%	16.0x	2.9x	14.0x	
Team, Inc.	US	465	878	15.38	60.2%	1,214	(0.2%)	26.2%	1.3%	NM	0.7x	9.8x	
Testing, Inspection, and Certification Mean					81.4%	7.2%	33.7%	14.7%	13.6x	2.0x	11.4x		
Testing, Inspection, and Certification Median					84.8%	3.9%	30.9%	17.9%	13.5x	2.3x	11.4x		
Life Sciences Instruments													
Agilent Technologies, Inc.	US	22,293	21,936	70.55	85.8%	5,019	6.3%	54.8%	24.2%	18.0x	4.2x	16.7x	
bioMérieux S.A.	FR	9,587	9,971	81.38	87.5%	2,772	5.8%	53.8%	20.6%	17.4x	3.4x	15.6x	
Bio-Rad Laboratories, Inc.	US	9,310	9,129	312.35	90.5%	2,292	3.6%	54.0%	14.8%	NM	3.9x	22.1x	
Bruker Corporation	US	7,786	7,932	49.66	96.6%	1,925	6.2%	47.8%	18.0%	22.9x	3.9x	19.5x	
IDEXX Laboratories, Inc.	US	24,433	25,446	284.08	99.4%	2,252	10.1%	56.4%	26.5%	NM	NM	NM	
Mettler-Toledo International Inc.	US	20,468	21,491	825.22	94.5%	2,954	5.8%	57.5%	25.4%	NM	NM	NM	
Neogen Corporation	US	3,349	3,102	64.25	66.0%	417	7.3%	46.5%	20.8%	NM	NM	NM	
PerkinElmer, Inc.	US	10,538	12,472	95.01	92.2%	2,783	16.6%	49.1%	20.4%	22.0x	4.3x	19.3x	
QIAGEN N.V.	NL	9,058	10,096	40.05	96.4%	1,507	3.7%	66.5%	31.8%	21.1x	NM	19.0x	
Sartorius Aktiengesellschaft	DE	13,571	14,908	189.10	98.2%	1,837	14.8%	51.2%	26.4%	NM	NM	NM	
Thermo Fisher Scientific Inc.	US	115,527	133,312	288.83	94.6%	24,630	11.9%	44.7%	25.3%	21.4x	5.2x	20.3x	
Waters Corporation	US	15,050	15,126	216.62	84.9%	2,403	2.6%	58.7%	34.5%	18.2x	NM	17.6x	
Life Sciences Instruments Mean					90.5%	7.9%	53.4%	24.1%	20.1x	4.1x	18.8x		
Life Sciences Instruments Median					93.4%	6.3%	53.9%	24.8%	21.1x	4.1x	19.2x		
Industrial Instruments													
AMETEK, Inc.	US	20,729	23,022	90.98	98.6%	4,961	11.1%	34.3%	26.8%	17.3x	4.4x	16.7x	
Badger Meter, Inc.	US	1,667	1,673	57.25	93.0%	434	6.8%	38.3%	15.0%	NM	3.7x	18.4x	
Danaher Corporation	US	101,025	109,208	141.11	97.0%	20,078	6.7%	55.8%	24.1%	22.6x	5.3x	21.9x	
Itron, Inc.	US	2,424	3,418	61.59	92.0%	2,383	11.0%	31.0%	11.1%	12.9x	1.4x	13.1x	
Keysight Technologies, Inc.	US	17,125	17,640	91.01	96.3%	4,147	17.2%	57.6%	22.0%	19.3x	4.1x	16.5x	
MTS Systems Corporation	US	1,007	1,393	56.07	94.3%	829	6.2%	38.7%	13.5%	12.5x	1.6x	10.1x	
National Instruments Corp.	US	5,673	5,247	43.02	84.4%	1,358	4.4%	75.5%	16.9%	22.9x	3.8x	20.1x	
Oxford Instruments plc	GB	1,002	1,005	17.52	95.4%	434	12.4%	53.1%	16.2%	14.3x	2.3x	12.9x	
Roper Technologies, Inc.	US	39,602	43,991	381.37	99.1%	5,276	11.7%	63.3%	34.4%	24.2x	NM	23.4x	
Spectris plc	GB	3,898	4,270	33.62	91.6%	2,045	5.2%	56.6%	16.1%	12.9x	2.1x	11.3x	
Transcat, Inc.	US	181	202	24.84	92.0%	161	3.7%	24.5%	10.3%	12.2x	1.2x	10.5x	
Industrial Instruments Mean					94.0%	8.8%	48.0%	18.8%	17.1x	3.0x	15.9x		
Industrial Instruments Median					94.3%	6.8%	53.1%	16.2%	15.8x	3.0x	16.5x		
Selected Public T&M Companies Mean					89.4%	8.0%	46.4%	19.8%	17.0x	2.9x	15.4x		
Selected Public T&M Companies Median					92.8%	6.2%	49.1%	19.9%	17.2x	3.1x	16.0x		

Source: Capital IQ

(1) Market Capitalization based on closing share prices as of July 15, 2019

(2) Market Capitalization and Share Prices may be based on foreign exchange listed securities and converted to \$USD

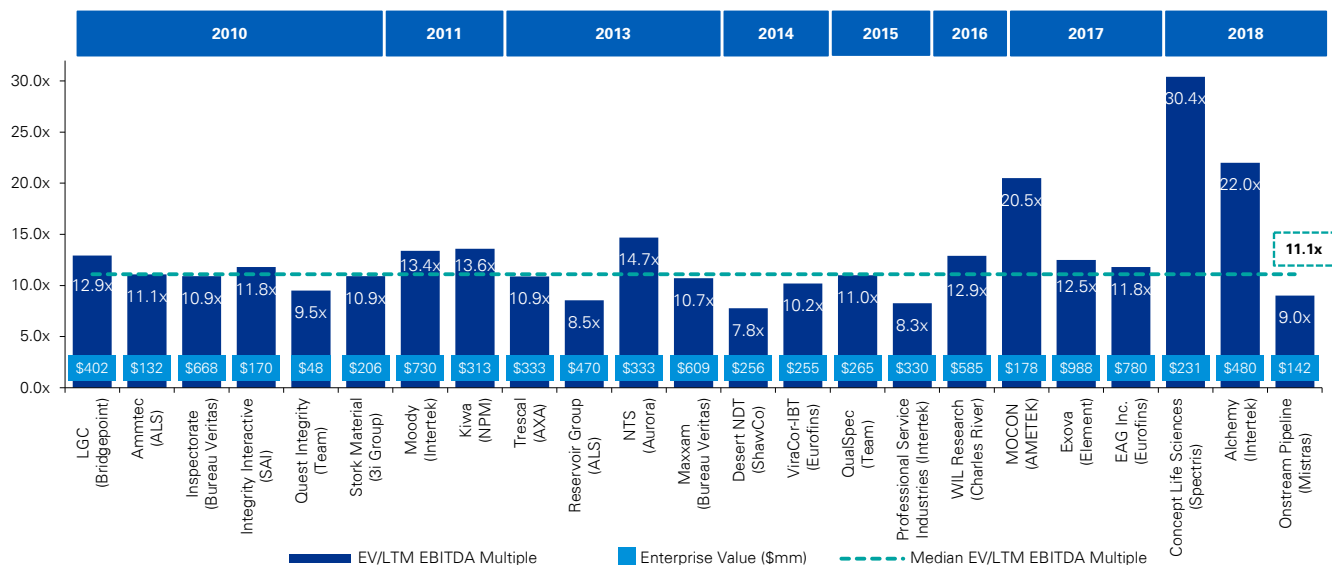
(3) Indicates percentage of current stock price compared to its 52 week high. Closing share prices as of July 15, 2019

(4) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents

(5) EBITDA equals Earnings before Interest Expense, Income Taxes, Depreciation and Amortization

TIC Transaction History & Multiples

TIC Industry Historical EV/LTM EBITDA Transaction Multiples (Selected Transactions)



Note: Certain multiples are based on estimated or current year figures if LTM data was not available
 Source: Capital IQ, Mergermarket, company filings and presentations, and press releases

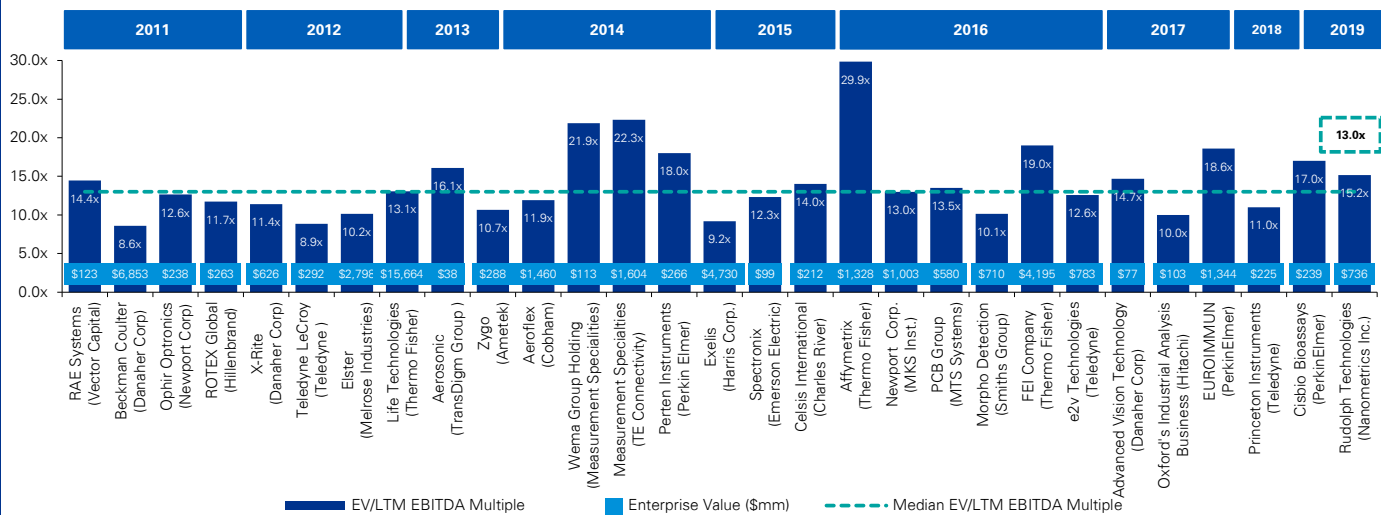
Three Year Acquisition History for Selected Players in the TIC Industry

Aggregate EV (\$mm)	Average EV (\$mm)	Company	Number of Deals
1,157.8	231.6	Eurofins	52
-	-	SGS	29
-	-	Bureau Veritas	14
130.7	130.7	Applus Services	12
480.0	480.0	Intertek Group	7
-	-	DEKRA	7
49.8	49.8	ALS	5
-	-	TRIGO, S.A.	4
17.0	17.0	Synlab Holding GmbH	4
278.8	92.9	Spectris	4
-	-	UL LLC	4
216.1	108.1	Mistras Group	4
-	-	Trescal	3
-	-	Exova	3
-	-	TÜV SÜD	2

Note: Three years ended July 15, 2019; Aggregate and Average EV figures include transactions where data is available
 Source: Capital IQ

T&M Equipment Transaction History & Multiples

T&M Equipment Industry Historical EV/LTM EBITDA Transaction Multiples (Selected Transactions)



Note: Certain multiples are based on estimated or current year figures if LTM data was not available
 Source: Capital IQ, Mergermarket, company filings and presentations, and press releases

Three Year Acquisition History for Selected Players in the T&M Equipment Industry

Aggregate EV (\$mm)	Average EV (\$mm)	Company	Number of Deals
190.6	31.8	Bruker Corporation	15
1,559.0	519.7	PerkinElmer	6
970.6	194.1	AMETEK	6
1,669.9	417.5	Agilent Technologies	5
925.0	925.0	Thermo Fisher Scientific	5
4,168.0	2,084.0	Danaher Corp	5
1,238.0	412.7	Teledyne Technologies	4
-	-	Indutrade AB	4
-	-	ESCO Technologies	4
23.0	23.0	Badger Meter	3
179.7	89.9	Spectris	3
-	-	TSI Incorporated	3
-	-	ONICON Incorporated	3
-	-	Battery Ventures	3
-	-	Waters Corporation	2

Note: Three years ended July 15, 2019; Aggregate and Average EV figures include transactions where data is available
 Source: Capital IQ

KPMG Corporate Finance

Leading Advisor to the Test and Measurement Sector ⁽¹⁾

 <p>has been acquired by</p>  <p>June 2018</p>	 <p>has been acquired by</p>  <p>December 2017</p>	 <p>has been acquired by</p>  <p>a subsidiary of LabCorp</p> <p>December 2017</p>	 <p>divested its analytics laboratory business in Finland and Estonia to</p>  <p>April 2017</p>	 <p>has been acquired by</p>  <p>March 2017</p>
 <p>has been acquired by</p>  <p>May 2016</p>	 <p>has been acquired by</p>  <p>November 2015</p>	 <p>has divested</p>  <p>September 2013</p>	 <p>has been acquired by</p>  <p>December 2012</p>	 <p>has been acquired by</p>  <p>June 2012</p>
 <p>has been acquired by</p>  <p>June 2012</p>	 <p>has been acquired by</p>  <p>February 2012</p>	 <p>has acquired</p>  <p>October 2011</p>	 <p>has divested</p>  <p>May 2011</p>	 <p>divested its Stork Materials Technology testing division to</p>  <p>November 2010</p>
 <p>has been acquired by</p>  <p>February 2010</p>	 <p>divested its Testing Business to</p>  <p>October 2008</p>	 <p>has been acquired by</p>  <p>July 2008</p>	 <p>has been acquired by</p>  <p>January 2007</p>	 <p>has acquired</p>  <p>November 2006</p>

(1) Represents the Corporate Finance practices of KPMG International's network of independent member firms

Global coverage. Industry knowledge. Middle-market focus.

The global Corporate Finance practices of KPMG International's network of independent member firms was ranked #1 as the top M&A middle-market adviser globally by Thomson Reuters SDC, and Mergermarket based on number of completed transactions, for 2018. KPMG Corporate Finance LLC was recently named Transaction Advisory Firm of the Year by The Global M&A Network, and previously named Investment Bank of the Year by The M&A Advisor. KPMG Corporate Finance LLC provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge to advise clients on global mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, infrastructure project finance, capital advisory, portfolio solutions, fairness opinions, and other advisory needs.

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